

MINUTES
BOARD OF SELECTMEN
WEDNESDAY, JANUARY 31, 2006
SPECIAL JOINT SESSION
COMMUNITY ROOM, CHENERY MIDDLE SCHOOL
7:00PM

A special meeting of the Board was called to order in open session at 7:05 PM in the Community Room of the Chenery Middle School. All members were present. Town Administrator Tom Younger and Assistant Town Administrator Jeff Conti were also present. The Board met in joint session with members of the Warrant Committee, School Committee, and Capital Budget Committee as the "Structural Group". The purpose of the group is to look at ways to make Town government more efficient and less costly.

The Group heard presentations from subgroups.

Health Insurance (Phil Curtis): Mr. Curtis introduced Sue Shallue from Cook & Company. Ms. Shallue shared information from a study of self-funding she undertook as a consultant for the Health Insurance Advisory Committee. The study looked at claims data from 2002 on to compare the Town's experience with a fully funded health insurance program versus what the Town would have paid for a self-funded program. The study assumes that the Town would maintain a healthy reserve in the fund from which claims would be paid. From 2005 to July 2006, the Town's HMO premiums exceeded what its total self-funding cost would be by \$1.18 million, while the PPO premiums exceeded costs by \$628,000. For FY07 the projected savings would be \$889,000.

Diane Stafford raised the issue of the Town being in the position of having to make decisions when there is an appeal of Harvard Pilgrim's decision whether or not something is covered. There was general agreement that the Town does not want to be in this position if it can be avoided. Ms. Shallue said the key is not making exceptions to the coverage policy, because once you make one exception you open the floodgates for more.

There was discussion of the lifetime cap on payments to a given claim imposed by reinsurers. It was clarified that the Town could still pay any amounts in excess of the cap, which would mean no benefit changes for employees and hence no items that would require collective bargaining.

Outsourcing (Liz Allison): The subgroup identified a number of functions that might make good targets for outsourcing and selected two that seemed to offer the most promise: food services and landscaping. Food Services is a part-time, part-year function, but pays full time benefits to the employees. There are many contractors in the area that can provide this service and it is widely outsourced by other communities. The amount of money spent on this service is large enough to present a real savings opportunity. Landscaping offers some similar opportunities.

To move forward, working groups could be set up that are headed by the Town and school managers. The subgroup could undertake further analysis of these areas and report to the working groups.

John Bowe noted that if landscaping is outsourced, it may no longer be necessary to purchase and maintain landscaping equipment.

It was pointed out that only after further analysis of these areas will it be possible to decide whether it in fact makes sense to outsource either one. Selectman Firenze pointed out these functions could possibly be regionalized in addition to being outsourced.

Ultimately, the decision whether or not to outsource will lie with the Selectmen and School Committee.

The Board moved: That the appropriate Town staff and the outsourcing subgroup investigate the option of outsourcing landscaping work, and that the Board is committed to moving in that direction if it makes economic, legal, and social sense to do so.

Motion carried unanimously (3-0). The School Committee will take up a similar motion for food services at an upcoming meeting.

Regionalization (Mark Paolillo): A meeting was held in January with Arlington, Billerica, Bedford, and Lexington along with the Metropolitan Area Planning Council (MAPC) to discuss group purchasing of supplies and services. Other communities that have shown interest are Burlington, Chelmsford, Wilmington, Winchester, and Woburn. A meeting for all 10 communities has been scheduled for February 8.

Mr. Younger noted that any group larger than 10 communities starts to present a problem with effective delivery of services. Examples of shared purchasing contracts could be office supplies, vehicles, or MIS equipment. In the services area, the towns could share part-time positions and look at combined contracts for services such as landscaping, rink and pool management. There is a lot of enthusiasm among the community leaders and MAPC is very positive about coordinating these efforts. There is potential for real agreements to be developed in the spring.

Waste Management (Ralph Jones): The subcommittee is examining a report from the Solid Waste and Stormwater Committee and trying to understand the numbers.

School/Town Consolidation: (Scott Stratford) The subcommittee has been focusing on the first two phases of consolidation. The schools have added data on Town buildings into their building maintenance software to keep track of maintenance experience and inventory collectively. It would also seem to be easy to implement joint mail pickup. The subcommittee is taking a closer look now at IT consolidation with a focus on organizational structure.

New Sources of Revenue (Jim Heigham): The subgroup was going to disband but was presented with the question of including capital costs in setting fees for utility hookups. It turns out that this can be done under statute but must be done on a reasonable basis. The present water and sewer hookup fees of \$250 can be increased; electricity is somewhat more regulated but might also be able to be increased. The next step is to ask the utility departments how much they could rationally add for capital costs.

Selectman Firenze noted that the Selectmen recently met with the Assessors and learned that there are some possible opportunities for PILOT payments from nonprofit landowners in town.

There was discussion of various ideas to incentivize redevelopment in order to enhance future tax revenues.

Energy/Resources Savings (Jenny Fallon): The energy and resource savings policy has been adopted by both the Selectmen and School Committee. The subcommittee is now meeting with town and school managers to explore opportunities to implement the policy. The subcommittee is looking at a software program to manage resource and energy use and hopes to have a recommendation on that by this spring.

Systems & Process Efficiencies (Tom Younger): This subgroup will be looking at zero-based budgeting for one of the Town departments.

Core Activities (Ralph Jones): Jim Staton is the new chair of this group which has had two meetings. The group began by discussing lists provided by group members of services that would be expected from the community.

Asset Management (Ralph Jones): The subgroup has not yet met to consider a draft report to be presented to Town Meeting. The focus of the report is how to plan long-term for the repair and replacement of capital infrastructure such as roads, buildings, and sewers.

The next meeting of the Structure Group will be tentatively scheduled for Wednesday, March 21. Also, the Capital Project Planning Group will tentatively meet on Monday, March 19 at 7:30 PM.

The Board adjourned at 8:52 PM.

Thomas Younger, Town Administrator